

AMENDED IN ASSEMBLY MAY 15, 2014

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2329

Introduced by Assembly Member Melendez

February 21, 2014

An act to add *and repeal* Section 17132.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2329, as amended, Melendez. Personal Income Tax Law: exclusion: military veterans: concurrent retirement and disability pay.

The Personal Income Tax Law provides various exclusions from gross income in determining tax liability, including an exclusion for combat-related special compensation and death benefit payments received by a surviving spouse or other beneficiary designated by a military veteran, as prescribed, who dies or is killed in the performance of duty, as provided.

This bill would, for taxable years beginning on or after January 1, 2015, *and before January 1, 2020*, exclude from gross income, as provided, ~~and~~ Concurrent Retirement and Disability Pay payments received by an eligible individual, as defined. *The bill would repeal these provisions on December 1, 2020.*

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17132.9 is added to the Revenue and Taxation Code, to read:

17132.9. (a) For each taxable year beginning on or after January 1, 2015, *and before January 1, 2020*, gross income shall not include Concurrent Retirement and Disability Pay payments received by an eligible individual during the taxable year.

(b) For purposes of this section:

(1) “Concurrent Retirement and Disability Pay” means payments received ~~by an eligible individual who is retired and entitled to receive disability income~~, as provided in Section 1414 of Title 10 of the United States Code. *Code by an eligible individual.*

(2) “Eligible individual” means an active, reserve, or retired member of the United States military who served in active duty.

(c) Nothing in this section shall be construed to create any inference with respect to the proper tax treatment of any Concurrent Retirement and Disability Pay payments received before January 1, 2015.

(d) This section shall remain in effect only until December 1, 2020, and as of that date is repealed.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.